

# Matteo Binfarè

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## EMPLOYMENT

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**University of Missouri, Robert J. Trulaske, Sr. College of Business** 2020 to present  
*Assistant Professor of Finance*

## RESEARCH INTERESTS

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Corporate Finance, Institutional Investors, Investments

## EDUCATION

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**University of North Carolina at Chapel Hill** Spring 2020  
*Ph.D., Finance*

**Bocconi University, Milano, Italy** Spring 2014  
*M.Sc., Finance (Summa Cum Laude)*

**Bocconi University, Milano, Italy** Fall 2011  
*B.Sc., Economics & Finance*

## WORKING PAPERS

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- [1] Binfarè, M., Connolly, R., Grigoris, F., & Liu, C. (2020). A New Lease on Firm Behavior
- [2] Binfarè, M. & Harris, R. (2020). Does Chief Investment Officer Pay Reflect Performance? Evidence from Non-profits
- [3] Binfarè, M., Brown, G., Harris, R., & Lundblad, C. (2018). How Do Financial Expertise and Networks Affect Investing? Evidence From the Governance of University Endowments  
- 2019 WFA Two Sigma Award for Best Paper on Investment Management
- [4] Binfarè, M. (2019). The Real Effects of Operational Risk: Evidence from Data Breaches

## WORK IN PROGRESS

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- [5] Binfarè, M. & Zimmerschied, K. (2021). Doing Good and Doing it With (Investment) Style
- [6] Binfarè, M., Brown, G., & Polk, C. (2019). Did PE Kill HML?

## ACADEMIC PRESENTATIONS & SEMINARS

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**2021** Eastern Finance Association (Virtual); Midwest Finance Association (Virtual); University of Miami — **2020** 5<sup>th</sup> Annual Conference on Asia-Pacific Financial Markets (CAFAM, Virtual); 33<sup>rd</sup> Australasian Finance Banking Conference (×2, Virtual) Financial Management Association (Virtual); Southern Finance Association (Virtual); Eastern Finance Association (Boston); Southwestern Finance Association (San Antonio); Brandeis University; Federal Reserve Board; Florida State University; University of Connecticut; University of Missouri — **2019** American Economic Association (Atlanta, GA); Western Finance Association (Huntington Beach, CA); Northern Finance Association (Vancouver) — **2018** 9<sup>th</sup> Professional Asset Management Conference (Rotterdam); University of Virginia (Charlottesville, VA); St. John's University (New York City, NY) — **2017** UNC PhD Brownbag (Chapel Hill, NC); UNC Alternative Investments Conference (Chapel Hill, NC); UVA Private Equity Conference

## REFEREE SERVICE

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Management Science, Journal of Alternative Investments

## TEACHING

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**Kenan-Flagler Business School** Summer 2018

*Instructor*

- BUSI 408, Corporate Finance (Mean 4.91/5.00 — Med 5.00/5.00)

**Kenan-Flagler Business School** 2017 to 2020

*Teaching Assistant*

- MBA 786A, Quantitative Methods for Finance (Prof. Mike Aguilar)
- MBA 777, Advanced Corporate Finance (Prof. Elena Simintzi)

## HONORS & AWARDS

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WFA Two Sigma Award for Best Paper on Investment Management (\$5,000) 2019

- Awarded for “*How Do Financial Expertise and Networks Affect Investing? Evidence From the Governance of University Endowments*”

UNC Graduate Travel Grant 2019

## WORKSHOPS

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**University of Michigan, Ross School of Business** August 2017

*Summer School in Structural Estimation in Corporate Finance*

## MEDIA COVERAGE

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Financial Times – FundFire, Institutional Investor 2020

American Economic Association 2019

Institutional Investor 2018

Business Officer 2017

## OTHER EMPLOYMENT

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**Kenan-Flagler Business School** 2015 to present

*Research Assistant*

**Bocconi University** 2014-2015

*CAREFIN*

**Mediobanca** 2013

*Analyst*

- Debt Capital Market & Structured Finance, Financial Institution Group

## SKILLS & ACHIEVEMENTS

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Statistical Packages: R, SAS, Stata

Languages: English (Fluent), Italian (Native), Spanish (Intermediate)

Completed CFA<sup>®</sup> Level I and II (2014, 2015)

Awarded the *Investment Foundations* certificate by CFA<sup>®</sup> Institute (2020)

Bocconi University: Undergraduate Early Admission

## EXTRA

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University of Florida, Warrington College of Business - Exchange Student	Fall 2012
University of California, San Diego - Exchange Student	Fall 2010
Solbiatese A.C., Semi-Professional Goalkeeper	2006 - 2008
Varese F.C., Professional Goalkeeper (Development)	2003 - 2006

## RESEARCH ABSTRACTS

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- [1] A New Lease on Firm Behavior  
with Robert A. Connolly, Fotis Grigoris, & Crocker H. Liu

Firms make extensive use of operating leases, but unlike other types of debt, their balance sheet value is set by the firm. Using novel information on operating leases from new reporting requirements (ASC 842) we examine firm behavior in valuing these leases, specifically, discount rate choices. We find 20 percent of firms choose higher discount rates (report lower lease-related leverage) than expected. The discount rate chosen reflects the cost of unsecured debt instead of collateralized borrowing. We consider potential motives for these choices. We find that financially fragile and informationally opaque firms choose higher discount rates, apparently to appear healthier.

- [2] Does Chief Investment Officer Pay Reflect Performance? Evidence from Non-profits  
with Robert S. Harris

This paper provides the first study of compensation and pay-for-performance for top executives at non-profit endowments. Using a detailed breakdown of compensation from IRS filings over the 2009-2017 period, we find that pay packages of Chief Investment Officers (CIOs) depend more heavily on bonuses than do those for other non-profit executives, and that CIO compensation is significantly positively related to endowment performance. Both compensation levels and the sensitivity of pay to performance vary with a foundations financial model, its location and the degree to which it benchmarks other foundations in setting compensation policy.

- [3] Do Financial Expertise and Networks Matter in Investing?: Evidence From the Governance of University Endowments  
with Gregory W. Brown, Robert S. Harris, & Christian T. Lundblad

We examine the links between endowment performance and human capital. Harnessing detailed information on endowments in higher education, we find that expertise in alternative assets on governing bodies, in-house investment staffs, and larger professional networks are associated with higher allocations to alternatives and better investment results. The outperformance arises because endowments capture higher returns that can accompany alternative assets, select or have access to high performing managers, and minimize fees by accessing funds directly rather than through funds of funds. Finally, we conduct a novel survey of endowment boards and confirm that expertise is central in facilitating alternative asset investments.

- [4] The Real Effects of Operational Risk: Evidence from Data Breaches

Operational risk poses unique challenges to corporations around the world. However, little is known about the consequences of risk management vulnerabilities on financing costs and firm outcomes. In this paper, I document substantial and persistent effects on financing costs and debt contracting caused by risk management vulnerabilities following data breaches of public firms. Exploiting data breach events between 2005 and 2015, I find that lenders charge breached firms with 15 to 20 percent larger spreads, and tighten covenant intensity, consistent with a shift in control rights over cash flows. The effect is larger for breaches of financial information and malicious cyber-attacks, and for firms with lower attention to risk management. Moreover, financial and operating leverage increases, profitability drops, and firms face a higher probability of distress. Lastly, *ex-ante* mispricing by banks does not explain these findings.